

**State of Alaska
Department of Natural Resources
Joint Pipeline Office
411 West 4th Avenue, Suite 2C
Anchorage, Alaska 99501**

**Commissioner's Final Written Determination
Renewal and Amendment of Right-of-Way Lease for the
Trans-Alaska Pipeline System
and Associated Rights
ADL 63574**

ACTION:

The Commissioner of the State of Alaska, Department of Natural Resources, pursuant to AS 38.35.110, proposes to amend and renew the Trans-Alaska Pipeline Right-of-Way System (TAPS) Lease and all renewable rights associated with TAPS for the maximum period authorized by law.

BACKGROUND:

On May 3, 1974, the State of Alaska executed the Right-of-Way Lease for the Trans-Alaska Pipeline (Lease), authorizing the construction and operation of the Trans-Alaska Pipeline System across state land. TAPS currently crosses approximately 344 miles of state land between Prudhoe Bay and Valdez, Alaska. The Lease, issued under the authority of AS 38.35.010 - 260 (the "Right-of-Way Leasing Act"), provides a term of 30 years, subject to a right of renewal in accordance with the requirements of AS 38.35.110. The Lease will expire on May 2, 2004, if not renewed or in the process of renewal by that date.

The procedures for renewal of an AS 38.35 pipeline right-of-way (ROW) Lease are set out in 11 AAC 80.065 - 085. On May 2, 2001, the TAPS Lessees submitted an application for renewal of the Lease, thus providing the minimum two years for processing required by 11 AAC 80.065. The State Pipeline Coordinator's Office (SPCO) published the required public notices of the application on May 23 and 24 and June 11, 2001, and has undertaken the in-depth review of Lessee's compliance with state laws, regulations, and terms of the Lease required for approval of Lease renewal under AS 38.35.110.

The Commissioner published a Proposed Written Determination on July 5, 2002, recommending renewal of the Lease for 30 years. Copies of the proposed determination were provided to the Lessees, placed in seven public libraries in communities along the pipeline corridor for public review, and made available to the public upon request. Public hearings were held in Cordova, Valdez, Glennallen, Anchorage, Fairbanks, Minto and Barrow, Alaska. The public comment period closed on August 20, 2002, at 5:00 p.m.

In addition to the information considered in making the proposed written determination in July, the record now includes a supplemental November 19, 2002, TAPS Renewal Status Report provided by the SPCO, that includes results of the 2002 SPCO monitoring efforts accomplished since July 5, 2002, as well as all submitted public comments and the associated SPCO responses.

PUBLIC INVOLVEMENT IN TAPS:

Several public comments indicated an interest in increasing public's access to information and involvement in TAPS, through the proposed establishment of a citizen's oversight group. I have reviewed the concept of a citizen's oversight group and have determined that it would not appreciably improve existing regulatory oversight of the pipeline because: 1) the SPCO (as a partner in the Joint Pipeline Office) comprehensively monitors all aspects of pipeline operation, from engineering to impact on wildlife, with the power to issue corrective compliance orders to the pipeline operator, and regularly publishes detailed reports of all facets of the SPCO work for public review; and 2) the proposal for a duplicate, non-governmental oversight effort would not be a cost effective means of increasing public access to information on TAPS operational and maintenance issues. I do, however, support a process to further encourage the public's involvement and information exchange with the Joint Pipeline Office regulatory agencies. To achieve this goal, I am recommending that the JPO Executive Council adopt a new charter that will expressly charge this multi-agency TAPS oversight body with providing public meetings a minimum of twice per year, held in communities along the TAPS right-of-way on a rotational basis, to address substantial issues that arise from time to time regarding TAPS operations. The JPO Executive Council will additionally be charged to develop recommendations designed to facilitate information exchange and involvement with the public. A copy of the proposed charter is attached to this Determination.

DETERMINATION:

I have reviewed the administrative record of this renewal process, including the information cited and relied upon in the July 5, 2002, Proposed Written Determination; the public comments and responses thereto; and the supplemental information provided to me in the November 19, 2002, SPCO Renewal Status Report. Based on this review, the decision reached in the Proposed Determination is not revised and therefore the Right-of-Way Lease for the Trans-Alaska Pipeline, entered into May 3, 1974, shall be renewed for a period of 30 years from the end of its original term. It is my intent to renew, to the full extent of my authority, the Lease and all pipeline facilities as defined in AS 38.35.230(7) for the maximum period authorized by law. This is the final agency determination. To the extent that judicial review is permitted by AS 38.35.200, the determination is appealable within 30 days to the superior court pursuant to Part VI of the Rules of Appellate Procedure.

Pat Pourchot, Commissioner
Alaska Department of Natural Resources

Date